



March 10, 2014

General Assembly  
Government Administration and Elections Committee  
Room 2200, Legislative Office Building  
Hartford, CT 06106

**RE: S.B. 351 – AN ACT CONCERNING THE ASSESSMENT OF PROPOSED PRIVATIZATION CONTRACTS.**

Senator Musto, Representative Jutila, and members of the Government Administration and Elections Committee:

My Name is Tim Searles, I am a resident of Manchester and an IT Analyst 2 working in the Bureau of Enterprise Systems and Technology (BEST).

I come before the committee today to **testify in support of SB 351: An Act Concerning the Assessment of Proposed Privatization Contracts**. This bill contains important modifications that strengthen existing statutes requiring cost benefit analysis be conducted by state contracting agencies prior to entering into a privatization contract. SB 351 strengthens the current cost benefit analysis statute by removing the current exemption for contracts related to services “currently provided, in whole or in part, by a non-state entity”. Just because something is currently done by a non-state entity does not mean it is cost effective for the state to continue to do so for future contracts.

And while I support SB 351, I believe the bill could be even stronger. SB 351 adds language to existing state statutes allowing a commissioner to bypass the cost benefit analysis requirement by declaring that an analysis was already conducted on a similar project. Also, new language is being added to the existing statute that allows an agency to enter into a privatization contract without a cost-benefit analysis or approval by the State Contracting Standards Board if the agency declares that the privatization contract is an “emergency procurement”. These additions to our current statute could be considered loopholes with the potential for abuse.

I have seen contracts handed out without bids or a cost benefit analysis by utilizing existing agreements with questionable connections to the proposed work. For instance, I am not aware of any cost benefit analysis being conducted on the contract to construct the new health care exchange website. The agency justified this by saying that the website had to be up and running in a very short timeframe and they utilized the contract for the DSS eligibility management system saying they were comparable projects. This is a questionable claim.

We should be doing a cost benefit analysis on all contracts with non-state entities to ensure that they are cost effective. These contracts are paid for with tax dollars and that is something we take very seriously, so we should make every effort to ensure those dollars are being spent wisely and efficiently.  
Thank you for your time.

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